

NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol. 11 No. 5
June 1990

Recent Economic Developments in the United States and New Mexico

Economic growth in the United States has very clearly slowed down in the last nine months. Real GNP, which averaged almost four percent annual growth from 1983 to 1989, increased only 1.1 percent in the fourth quarter of 1989 and 1.9 percent in the first quarter of 1990 (the second quarter, 1990 figures are not yet in, but the consensus among forecasters calls for growth in the 1.8 percent to 2.0 percent range). Other indications of a slowdown abound. Nonfarm employment increased only by 64,000 in April, and but for the hiring of 78,000 census workers, would have actually declined. Domestic auto sales have been feeble all year, new housing starts are at near-recession levels, and industrial production declined in April, following a 0.3 percent decline in the first quarter. Retail sales also declined in April, for the third consecutive month, the first three-months-in-a-row decline since 1981. Although a recession is not yet imminent, national economic performance can be justifiably described as "weak".

Inflation, which had been a problem in early 1990, has not been so of late. However, the Federal Reserve continues to maintain a tough anti-inflationary stance, which means that a monetary expansion which would lead to lower interest rates and an easing of credit conditions, and which would, in turn, tend to stimulate the economy, is not likely to occur anytime soon. Help for the economy in the form of additional spending from the federal government, particularly in these days of defense cutbacks and huge budget deficits, is also pretty unlikely. The conclusion, alas, is rather obvious. The United States can expect to enjoy at best only modest growth for the near future, in the 1.5 percent to 2.5 percent range, with the likelihood of a recession creeping ever closer for the next year or two. Inflation, though, figures to remain pretty much under control, with the Consumer Price Index holding in the 4 percent to 5 percent range.

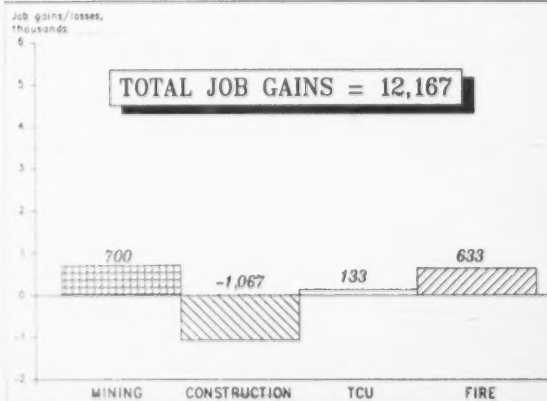
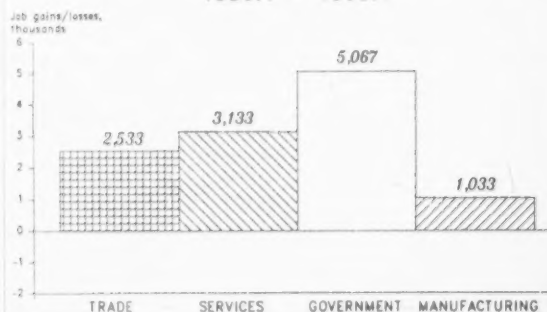
The New Mexico economy, on the other hand, continued to pursue a course of moderate growth. Nonagricultural employment, led by strong growth in mining and state government, increased 2.2 percent (on a year-over-year basis) during

the first quarter of 1990, the fifth consecutive quarter of growth in the two to three percent range. The 2.2 percent increase amounts to a little more than twelve thousand jobs added to the economy during the year from the first quarter of 1989 to the first quarter of 1990. Most of the new jobs have occurred in government, trade and services (Figure 1). Personal income, as reported by the U. S. Bureau of Economic Analysis, grew 7.6 percent during the fourth quarter of 1989. Dividends/interest/rent income (12.4 percent), transfer payments (10.4 percent) and farm income (11.6 percent), each enjoyed strong growth. The New Mexico unemployment rate registered 6.2

(continued on page 8)

FIGURE 1

NEW MEXICO JOB GAINS/LOSSES BY SECTOR 1989:1 - 1990:1



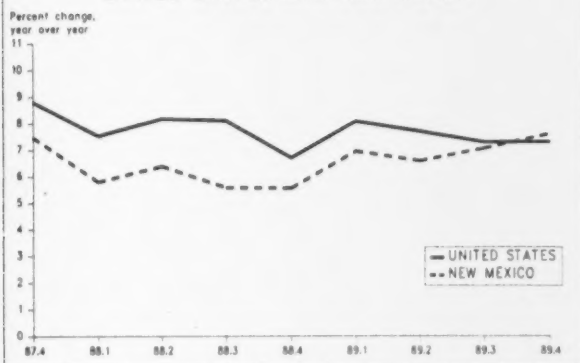
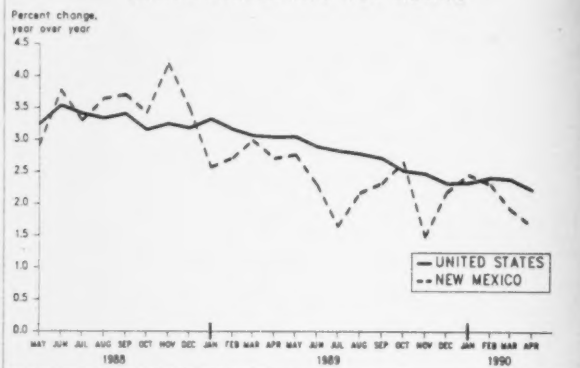
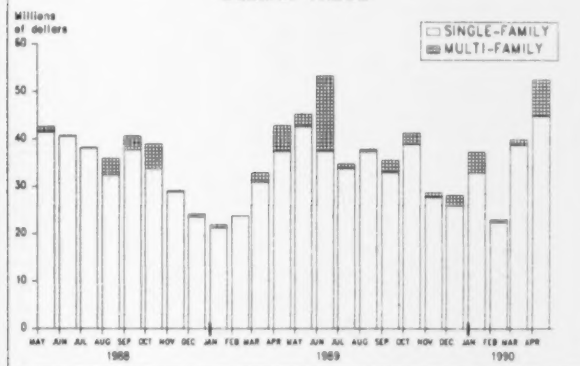
IN THIS ISSUE

Federal Expenditures by County

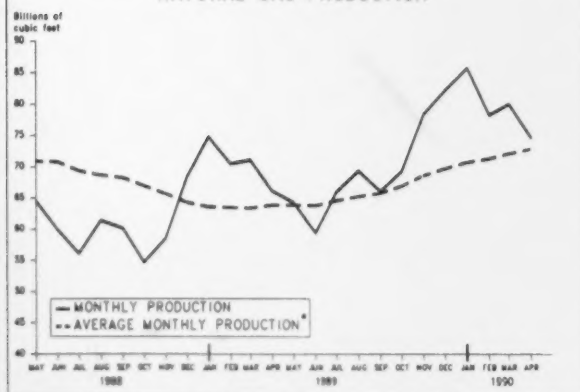


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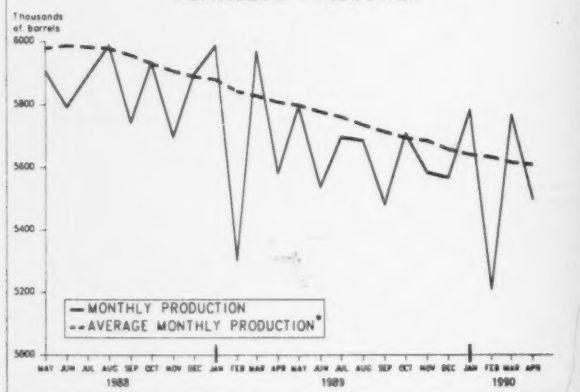
ECONOMIC TRENDS IN NEW MEXICO

TOTAL PERSONAL INCOME
UNITED STATES AND NEW MEXICONONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
UNITED STATES AND NEW MEXICORESIDENTIAL BUILDING PERMITS,
DOLLAR VALUENONRESIDENTIAL BUILDING PERMITS,
DOLLAR VALUE

NATURAL GAS PRODUCTION



PETROLEUM PRODUCTION



* 12 month moving average. For example, the point for August, 1988 represents an average of data from September, 1987 through August, 1988.

U.S. ECONOMIC INDICATORS

	MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1982-84=100)				
All items	Apr 90	128.9	4.7	128.7
Food and beverages	Apr 90	131.0	5.6	131.2
Housing	Apr 90	126.8	4.3	126.8
Apparel and upkeep	Apr 90	126.7	4.8	125.4
Transportation	Apr 90	117.3	2.4	116.8
Medical care	Apr 90	159.8	8.9	158.7
Entertainment	Apr 90	131.4	4.8	130.9
Other goods and services	Apr 90	155.8	7.7	155.2
Revised series, wage earners and clerical workers (1982-84=100)				
All items	Apr 90	127.3	4.5	127.1
Gross national product* (\$Bil. constant)				
	Q1 90	4188.0	2.0	4174.1
Prime interest rate** (% per annum)	Apr 90	10.0	-13.0	10.0
Mortgage interest rate*** (% per annum)	Apr 90	10.2	0.0	10.0
3 month treasury bill# (% per annum)	Apr 90	7.8	-10.6	7.9
Industrial production## (1987=100)	Apr 90	108.7	0.1	109.1
Manufacturers new orders## (\$Bil.)	Mar 90	240.5	3.2	231.8

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO			UNITED STATES		
		CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO
Employment (000)	Apr 90	655.1	1.6	654.0	117,359	0.9	117,093
Unemployment rate (%)	Apr 90	6.6	-	6.5	5.2	-	5.4
Nonagricultural employment (000)	Apr 90	567.5	1.6	565.6	110,332	2.2	109,559
Personal income### (\$Mil.)	Q4 89	20,789	7.6	20,202	4,470,967	7.3	4,381,863
Housing units permitted							
Single	Apr 90	538	7.0	514	78,720	-11.6	82,999
Multi	Apr 90	59	-81.0	36	25,810	-20.5	26,457

 Note: Selected data items subject to revision.

N Not available.

* 1982 dollars at seasonally adjusted annual rates.

** Closing rate for month.

*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.

Rate on new issues within period; bank discount basis.

Monthly data seasonally adjusted.

Quarterly data seasonally adjusted at annual rates.

Sources: U. S. Department of Labor, News: CPI data;

New Mexico Department of Labor and U. S. Bureau of Labor Statistics: employment and unemployment data.

U. S. Department of Commerce, Bureau of Economic Analysis: income data;

U. S. Department of Commerce, Bureau of the Census: construction data.

U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

		CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
1. GENERAL					
Civilian labor force* (000)	Apr 90	701.5	1.2	699.7	1.4
Total employment* (000)	Apr 90	655.1	1.6	654.0	2.5
Unemployment* (000)	Apr 90	46.4	-3.9	45.7	-12.6
Unemployment rate (%)	Apr 90	6.6	-	6.5	-
Weekly new unemployment insurance claims	Apr 90	1105.0	-7.8	1052.0	-8.4
Nonagricultural wage/salary employment** (000)	Apr 90	567.5	1.6	565.6	2.1
Personal income*** (\$ mil.)	Q4 89	20789.0	7.6	20202.0	7.1
New business incorporations	Mar 90	286.0	10.4	235.0	8.1
Business failure liabilities (\$ 000)	Dec 89	1642.0	137.3	4004.0	-61.1
2. AGRICULTURAL RECEIPTS					
Livestock and products (\$ mil.)	Feb 90	43.4	-59.7	62.3	-7.6
Crops (\$ mil.)	Feb 90	14.4	-8.9	24.7	11.1
Total (\$ mil.)	Feb 90	57.8	-53.2	87.0	-2.3
3. MINING					
Employment** (000)	Apr 90	14.6	3.5	14.6	0.7
Average hourly earnings (\$)	Apr 90	12.99	8.2	12.42	4.0
Petroleum production (000 bbls.)	Apr 90	5498.9	-1.4	5765.7	-3.4
Natural gas production (bil. cu. ft.)	Apr 90	74.7	12.8	80.1	14.1
Coal production (000 short tons)	Apr 90	2456.0	34.8	2637.0	16.5
Oil well completions&	Apr 90	30.0	3.4	32.0	-2.9
Gas well completions&	Apr 90	78.0	239.1	63.0	42.4
Total footage drilled&& (000)	Apr 90	534.6	42.3	417.9	-0.3
Oil sales (\$ mil.)	Dec 89	96.3	28.9	97.7	17.8
Gas sales (\$ mil.)	Dec 89	133.7	68.2	111.9	4.6
4. CONSTRUCTION					
Employment** (000)	Apr 90	27.6	-11.0	27.7	-3.2
Average hourly earnings (\$)	Apr 90	10.89	-1.8	11.50	2.7
Residential units permitted	Apr 90	597.0	-26.6	550.0	4.1
Residential building permits (\$ mil.)	Apr 90	52.4	22.4	39.8	11.0
Nonresidential building permits (\$ mil.)	Apr 90	12.1	-23.4	9.8	-13.7
Residential construction contracts (\$ mil.)	Apr 90	58.8	42.4	38.3	-4.2
Nonresidential construction contracts (\$ mil.)	Apr 90	14.0	-50.5	49.7	-22.1
Nonbuilding construction contracts (\$ mil.)	Apr 90	27.7	-2.8	10.5	-31.4
5. TRANSPORTATION/COMMUNICATION/UTILITIES					
Employment** (000)	Apr 90	28.7	-1.4	28.7	0.0
Communications average hourly earnings (\$)	Apr 90	14.65	7.5	14.36	1.7
Utilities average hourly earnings## (\$)	Apr 90	14.04	-0.3	14.38	1.7
6. MANUFACTURING					
Employment** (000)	Apr 90	42.5	2.9	42.4	3.2
Average hourly earnings (\$)	Apr 90	9.02	4.9	8.97	-0.8
Electric & electronic equipment employment** (000)	Apr 90	5.7	0.0	5.7	1.8
Transportation equipment employment** (000)	Apr 90	5.4	0.0	5.4	0.0
Food & kindred products employment** (000)	Apr 90	4.5	21.6	4.4	12.5
Textile & apparel employment** (000)	Apr 90	2.7	0.0	2.7	0.0
Lumber & wood products employment** (000)	Apr 90	2.5	4.2	2.5	0.0

NEW MEXICO ECONOMIC INDICATORS (continued)

	MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
7. TRADE					
Wholesale employment** (000)	Apr 90	24.4	1.2	24.4	2.5
Retail employment** (000)	Apr 90	109.0	0.9	108.4	2.5
Average hourly earnings (\$)	Apr 90	6.86	0.1	6.96	4.4
8. FINANCE/INSURANCE/REAL ESTATE					
Employment** (000)	Apr 90	26.7	2.3	26.6	0.8
Bank average hourly earnings (\$)	Apr 90	6.59	0.2	6.58	5.5
Bank total assets (\$ mil.)	Q1 90	10429.0	1.8	10727.0	4.1
Bank total deposits (\$ mil.)	Q4 89	8977.0	3.9	8693.0	3.3
Bank net loans (\$ mil.)	Q1 90	5560.0	-1.4	5813.0	1.0
S & L total assets (\$ mil.)	Dec 89	4871.0	-9.6	4943.0	-9.7
S & L total deposits (\$ mil.)	Dec 89	4445.0	-4.6	4492.0	-4.8
S & L new mortgage loans closed&&& (\$ mil.)	Dec 89	58.0	-37.0	46.0	-30.7
9. SERVICES AND TOURISM					
Total service employment** (000)	Apr 90	141.0	2.5	140.7	3.2
Lodging employment** (000)	Apr 90	11.4	-0.9	11.2	0.9
Eating & drinking places employment** (000)	Apr 90	41.3	1.7	40.8	3.5
Visits to state parks (000)	Apr 90	464.3	24.2	287.0	-6.9
Visits to national parks/monuments (000)	Apr 90	193.5	13.7	184.9	3.9
Passenger traffic at Albuquerque airport@ (000)	Apr 90	403.8	13.4	416.4	9.4
Lodgers tax receipts (\$ 000)	Q4 89	3078.8	21.3	3533.5	17.6
Lodging occupancy rates (%)	Apr 90	66.5	2.9	68.4	4.2
10. GOVERNMENT					
Total government employment** (000)	Apr 90	153.0	4.0	152.1	2.7
Federal employment** (000)	Apr 90	32.8	3.5	31.4	1.9
State employment** @@ (000)	Apr 90	54.3	5.4	54.6	4.3
Local employment** (000)	Apr 90	65.9	3.1	66.1	1.6
Total general fund revenues@@@ (\$ mil.)	Apr 90	178.1	17.9	135.9	7.0

Note: selected data items subject to revision.

N Not available.

* Number of persons by place of residence.

** Number of jobs by place of work.

*** Quarterly data seasonally adjusted at annual rates.

& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.

&& Oil and gas combined.

&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.

For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.

Does not include transportation.

@ Passenger traffic includes enplanements and deplanements.

@@ This figure includes full and part time employment at Los Alamos National Laboratory (LANL). Full time equivalent employment (FTE) at LANL is 7,700 as of April 1989 according to LANL Personnel Dept.

@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Department of Labor: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept. of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy, Minerals and Natural Resources Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 3;
U. S. Dept. of Commerce, Bureau of the Census: Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
U. S. Federal Deposit Insurance Corporation: Section 8;
New Mexico Energy, Minerals and Natural Resources Dept., Park and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Pannell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE
TOP 20 CITIES
(\$000)

	CURRENT 3 MONTH AVERAGE* FEB-APR	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* NOV-JAN
Alamogordo	\$ 12,563	-7.6	\$ 15,761
Albuquerque	223,763	-0.8	286,526
Artesia	4,813	1.2	6,030
Carlsbad	12,839	10.5	13,700
Clovis	16,069	6.6	18,131
Deming	4,978	-3.8	6,455
Espanola	6,413	3.7	7,202
Farmington	30,298	7.1	37,468
Gallup	21,995	2.4	25,231
Hobbs	14,708	2.0	18,102
Las Cruces	34,507	-0.6	41,255
Las Vegas	5,503	-1.3	6,767
Los Alamos	5,889	2.9	8,051
Portales	4,146	-10.0	5,586
Rio Rancho	6,106	-1.9	6,139
Roswell	18,952	5.3	23,761
Ruidoso	4,653	-5.4	6,153
Santa Fe	48,784	2.4	65,385
Silver City	6,929	-3.6	9,246
Taos	7,874	1.5	9,822
State total	634,080	1.1	780,206

Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.

* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION@
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS (\$000)			
	APRIL 1990	APRIL 1989	CUMULATIVE THROUGH 1990	TOTAL APRIL 1989	APRIL 1990	APRIL 1989	CUMULATIVE THROUGH 1990	TOTAL APRIL 1989
NEW RESIDENTIAL**								
Alamogordo	4	3	14	19	\$ 366	\$ 247	\$ 1,115	\$ 1,269
Albuquerque, Total	148	181	812	507	12,640	12,973	53,251	37,865
Single Family	148	163	432	485	12,640	12,443	36,613	37,230
Multi Family	0	18	380	22	0	530	16,638	635
Carlsbad	2	0	8	5	161	0	517	360
Clovis	15	9	86	40	934	390	10,930	2,178
Farmington	1	4	10	8	94	257	655	479
Hobbs	0	0	0	0	0	0	0	183
Las Cruces	26	183	110	276	1,777	4,141	7,286	10,625
Los Alamos	4	2	9	5	583	252	1,222	667
Rio Rancho	24	65	88	303	1,001	2,982	4,412	14,554
Roswell	8	8	20	26	644	592	1,575	1,856
Ruidoso	11	5	22	18	1,053	359	2,051	1,170
Santa Fe	101	146	177	219	13,364	4,786	21,131	11,979
NEW NONRESIDENTIAL								
Alamogordo	6	7	18	20	36	270	738	620
Albuquerque	1	4	7	11	589	5,288	21,375	41,114
Carlsbad	1	9	24	22	27	90	647	314
Clovis	2	1	7	4	56	158	483	548
Farmington	0	1	3	1	0	115	193	115
Hobbs	2	1	7	4	2	2,285	811	2,467
Las Cruces	18	10	49	38	987	861	2,162	1,789
Los Alamos	3	1	5	3	513	4	594	49
Rio Rancho	0	1	1	4	0	574	200	1,150
Roswell	10	10	25	33	523	441	1,048	1,377
Ruidoso	5	3	7	5	28	40	159	521
Santa Fe	4	4	20	18	1,783	1,090	2,754	3,944

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984. Data refer only to permits authorized for private construction projects. Public buildings and projects are excluded.

* Residential data shows the number of permitted units, while nonresidential data shows the number of permits. ** Residential data includes both single and multi-family units. In the case of Albuquerque, single and multi-family units are also shown separately.

Sources: U. S. Department of Commerce, Bureau of the Census: all cities, except for Rio Rancho; City of Rio Rancho: Rio Rancho only.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	APRILp	% CHANGE YEAR AGO	MARCHr	APRILp	% CHANGE YEAR AGO	MARCHr	APRILp	% CHANGE YEAR AGO	MARCHr	APRILp	% CHANGE YEAR AGO	MARCHr
TOTAL CIVILIAN LABOR FORCE	701.5	1.2	699.7	264.1	-0.3	264.2	59.6	5.1	59.2	67.9	4.0	67.5
Employment@	655.1	1.6	654.0	249.6	-0.5	251.0	55.3	4.7	54.9	65.5	4.6	65.1
Unemployment	46.4	-3.9	45.7	14.5	2.1	13.2	4.3	10.3	4.3	2.4	-11.1	2.4
Unemployment rate (%)	6.6	-	6.5	5.5	-	5.0	7.2	-	7.3	3.5	-	3.6
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	567.5	1.6	565.6	242.9	1.3	242.5	44.8	4.7	44.3	57.7	4.2	57.2
Mining	14.6	3.5	14.6	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Contract construction	27.6	-11.0	27.7	12.3	-8.9	12.5	2.5	0.0	2.4	2.5	-3.8	2.5
Manufacturing	42.5	2.9	42.4	21.0	-1.4	20.9	3.5	-2.8	3.5	1.8	5.9	1.8
Durable goods	28.6	1.1	28.6	15.0	-2.6	15.0	1.6	-5.9	1.6	1.2	9.1	1.2
Nondurable goods	13.9	6.9	13.8	6.0	1.7	5.9	1.9	0.0	1.9	0.6	0.0	0.6
Transportation & public utilities	28.7	-1.4	28.7	12.5	-0.8	12.6	1.6	6.7	1.6	0.9	-10.0	0.9
Trade	133.4	1.0	132.8	60.5	1.7	60.3	9.2	4.5	9.0	10.9	1.9	10.7
Wholesale	24.4	1.2	24.4	14.5	0.7	14.5	1.0	0.0	1.0	1.0	11.1	1.0
Retail	109.0	0.9	108.4	46.0	2.0	45.8	8.2	3.8	8.1	10.0	2.0	9.8
Finance, insurance, & real estate	26.7	2.3	26.6	14.4	0.7	14.3	1.7	0.0	1.7	2.1	0.0	2.1
Services	141.0	2.5	140.7	71.8	2.6	71.6	7.9	6.8	7.9	15.3	4.8	15.3
Government	153.0	4.0	152.1	50.3	3.5	50.2	18.4	6.4	18.2	24.2	6.1	24.0
Federal	32.8	3.5	31.4	14.2	2.9	13.8	4.4	4.8	4.3	1.9	11.8	1.7
State	54.3	3.4	54.6	13.8	3.8	14.1	7.9	8.2	7.9	17.8	6.0	17.8
Local	65.9	3.1	66.1	22.3	3.7	22.3	6.1	5.2	6.0	4.5	4.7	4.5

N Not available, less than 50 jobs.

P Preliminary.

R Revised.

* Bernalillo County.

** Dona Ana County.

*** Santa Fe and Los Alamos Counties.

@ Includes labor disputes.

Source: New Mexico Department of Labor.

Total Direct Federal Expenditures or Obligations by County
(\$000's)

County	FY 1988	FY 1989	% Change	County	FY 1988	FY 1989	% Change
Bernalillo	\$3,237,729	\$3,330,391	2.9	McKinley	\$ 200,433	\$ 218,816	9.2
Catron	8,048	13,768	71.1	Mora	16,239	15,308	-5.7
Chaves	148,075	153,095	3.4	Otero	349,446	328,399	-6.0
Cibola	48,737	45,732	-6.2	Quay	40,865	37,343	-8.6
Colfax	50,520	46,717	-7.5	Rio Arriba	87,713	102,579	16.9
Curry	200,482	208,125	3.8	Roosevelt	53,135	53,597	0.9
De Baca	7,469	10,899	45.9	Sandoval	98,658	114,795	16.4
Dona Ana	554,734	648,924	17.0	San Juan	200,400	185,738	-7.3
Eddy	\$ 219,710	\$ 151,418	-31.1	San Miguel	\$ 69,452	\$ 84,198	21.2
Grant	59,603	65,967	10.7	Santa Fe	350,610	351,701	0.3
Guadalupe	25,183	13,381	-46.9	Sierra	41,193	46,672	13.3
Harding	3,122	3,526	12.9	Socorro	42,907	51,949	21.1
Hidalgo	11,638	15,748	35.3	Taos	54,253	56,043	3.3
Lea	94,478	107,222	13.5	Torrance	32,397	19,888	-38.6
Lincoln	33,509	33,468	-0.1	Union	15,243	19,460	27.7
Los Alamos*	1,966,161	1,036,074	-47.3	Valencia	99,397	108,938	9.6
Luna	62,928	64,911	3.2	State Undistributed	295,397	391,947	32.7
New Mexico					\$8,779,862	\$8,136,740	-7.3

* In FY 1988, there were large, unexplained one-time procurement contracts processed in Los Alamos County. These contracts cannot be attributed to either the Departments of Energy or Defense. The absence of these contracts accounts for much of the decline in this line item. Compared to FY 1987, total Los Alamos County procurement contracts in FY 1989 were up 5.0%.

Source: U.S. Department of Commerce, Bureau of the Census, Consolidated Federal Funds Report, Volume I, County Areas, FY 1988 and FY 1989.

Economic . . .*(Continued from Page 1)*

percent in the first quarter, down almost a full point from a year ago.

Mining employment grew 5.0 percent during the first quarter, an increase of seven hundred jobs. Of those, about one third were in metals and are attributable to the re-opening of the Molycorp molybdenum mine in Taos county. Another third were in coal/nonmetals and are primarily due to increased potash production in southeastern New Mexico. The remaining third occurred in oil and gas extraction and are largely a result of increased drilling for coal seam gas in the San Juan Basin, although the first quarter also saw a substantial increase in oil well completions.

In the government sector, first quarter growth was 3.5 percent, most of which was at the state level. Manufacturing employment showed a 2.5 percent increase, which, although higher than the New Mexico average of 2.2 percent, is somewhat less than the almost five percent quarterly growth man-

ufacturing enjoyed in 1988 and 1989. Among the other employment sectors, trade increased 1.9 percent, services 2.3 percent, finance/insurance/real estate 2.4 percent and transportation/communications/utilities 0.5 percent. Construction, however, continued to contract, losing another thousand jobs from a year ago, a decline of 3.8 percent.

The outlook for the New Mexico economy is for a continuation of moderate nonagricultural employment growth, with growth rates in the 1.5 percent to 2.5 percent range through 1991. Personal income growth should be in excess of seven percent this year, slowing to less than six percent in 1991.

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Economist

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